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DINNER TO THE OFFICERS
AND DIRECTORS OF HOME
PROTECTIVE SAVINGS AND
LOAN ASSOCIATION. * * *

Dinner
To the Directors and Officers
Of the
Home Protective Savings
and Loan Association
New Brighton, Pennsylvania
At
The Brighton Club



January 20, 1914

Host, T. L. Kennedy

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Foreword

About ten years ago I invited the officers and directors of the Home Protective Savings and Loan Association to dine with me at my home. The occasion was so enjoyable that I repeated the experience on January 20, 1914, at The Brighton Club. This time presidents of other building and loan associations in the neighborhood and a few friends of the work were included in the invitations. Forty-eight guests were assembled, and some who were unable to be present sent messages.

The gathering had not been called for the sole purpose of feasting and making merry, but had a serious purpose as well—that of bringing about an exchange of ideas and drawing more closely together the building and loan associations of the vicinity.

I had realized after more than forty-two years work in building and loan associations that they are one of the great factors in building up not only homes and towns, but character, by making people comfortable, contented, law abiding home owners. Having achieved this honorable result it is time the building and loan associations take a more dignified place before the public, occupying quarters commensurate with the importance of their achievements instead of any available back room at low rent, as we all felt it our duty to do at first.

There are many matters in which the various associations may greatly benefit through the medium of cooperation. We need greater frankness between one another and we need uniform laws, rules and forms. We need to enlarge our scope of operations and should be teaching the young people the value of becoming stockholders and systematic savers of money. We need to advertise the benefits our association can be to the public, especially that portion of the public which earns small sums weekly or semi-monthly.

Many among the dinner guests spoke along these and other beneficial lines and this foreword is an introduction to the addresses of these gentlemen and the valuable thoughts which thus conveyed may result in a more speedy bringing about of the advancement which building and loan associations so richly deserve.

T. L. KENNEDY.

Address of Agnew Hice, Esq., Toastmaster

The dinner was prefaced by grace asked by the Rev. Thomas W. Swan and closed by all singing "America," standing, the Rev. Dr. Charles F. Swift leading. Agnew Hice, senior counsel for the Home Protective Savings and Loan Association, was introduced as toastmaster. He said:

In 1894 there was being sent out of Beaver County in monthly payments, at the rate of about \$150,000 a year, money which was being invested in so-called foreign Building and Loan Associations. These companies into which his money was being paid were scattered from New York to Minneapolis. Many of them were very flimsy organizations, and were doing business on anything but a substantial basis. These acts became known to a number of business men in Beaver County, and finally realizing what this meant to our citizens locally, they determined to organize a Building and Loan Association upon such a basis as they thought would be efficient in an effort which they proposed to make to keep these moneys at home.

As a result there was formed the Home Protective Savings and Loan Association, based upon a broad plan, and intended to offer an opportunity for the investment of funds of non-borrowers, yet so as to afford the benefits arising from increased available funds for those persons who desired to borrow upon the building and loan plan. When this association was organized the gentleman on my left, Mr.

T. L. Kennedy, was elected President of the new association, and has now been elected the twentieth time to serve in that capacity.

While we do not mean to say that the Home Protective Savings and Loan Association was the means of keeping at home the money of Beaver County which before that time had been invested outside of the county in building and loan associations, yet it contributed in very large measure to bring about this result, and other associations in the county have aided, until today it is believed that there is comparatively little money being sent out of the county for building and loan investment.

The Home Protective Savings and Loan Association has some pride in its record. It has paid in dividends since its organization \$668,111.61, and has in force loans amounting to about \$1,100,000.00, and since its organization has made loans to the amount of \$2,600,000.00, these loans varying in size from \$100 up to \$125,000.00.

Beaver County has made quite a record for itself as a building and loan county in view of its population. It has invested today in building and loans approximately \$5,000,000.00, of which from five hundred thousand to seven hundred thousand dollars is paid up stock. Certainly no other county in the state of the same population has as much money invested in paid-up building and loan stock; and, in bringing about recent beneficial legislation for these institutions, Beaver County has been an important factor.

Address of the Hon. W. S. Morrison

Mr. Hice then introduced Hon. W. S. Morrison, who has been connected with the Home Protective Savings and Loan Association in the capacity of legal adviser since its creation, and who is also secretary of the Building and Loan Federation of Pennsylvania. He talked upon the subject, "The Relations of the Building and Loan Associations of Our County."

Mr. Morrison Said:

The special significance of this meeting tonight lies in the fact that the Home Protective Savings and Loan Association has been in successful operation for a period of almost twenty years, and that our host, the Hon. T. L. Kennedy, has been elected its President twenty consecutive times, and we extend to him and to the Association our congratulations; but beyond that fact, the thought of Mr. Kennedy in bringing together this group of men here gathered, who are interested in and are engaged in the management of the Building and Loan Associations of Beaver County, we take it, was that our coming together might lead to better cooperation among our associations, and that from the remarks made here tonight some suggestion might be taken which would tend to promote the efficiency of the many associations of which our county has such good reason to be proud.

We have with us tonight a splendid representation from the associations of the county, with some visitors from other counties, but some of those whom we had hoped to meet here have, for various reasons, been compelled to send their regrets. A few of these letters of regret, with your permission, Mr. Toast-master, I shall read:

Redlands, Cal., Jan. 16, 1914.
Hon. T. L. Kennedy, New Brighton, Pa.
Dear Sir:

Neither time nor distance can ef-

face from my heart the love I have for my old home State, County and town, nor will anything ever dim the cherished remembrance so dear to me of the many old friends and business acquaintances of my younger days.

So, were it possible, nothing would afford me more pleasure than an acceptance of your kind invitation for the 20th and sit again with the officers and directors of the Home Protective Savings and Loan Association in the pleasant social occasion I know is in store for them, but circumstances make a note of regret necessary this time. Please remember me kindly to all present at the dinner and assure them of my high personal regard.

The Home Protective Savings and Loan Association has been a remarkable success and the officers and directors are to be greatly commended and congratulated upon the result.

It is a great gratification to me to know that I had some little part in its organization.

With very kind personal regard,
I am

Yours very sincerely,

C. A. BARKER

Beaver, Pa., Jan. 13, 1914.
Hon. T. L. Kennedy, New Brighton, Pa.
Dear Sir:

Your invitation of the 10th inst., to meet and dine with the officers of the Home Protective Savings and Loan Association and a few of your friends at 6:45 o'clock on Tuesday evening, January 20th, 1914, has just been received.

Please accept my thanks for your kind invitation. I regret to say that I cannot be with the bunch that evening. At this mid-winter season and at my age of 75 I feel that my quiet home is the best place for me to spend the evenings. My general health is better this winter than it has been for several winters, my nerves are in better shape

ince I have nothing to worry over. I will always be glad to know that the Home Protective Savings and Loan Association is in good standing with the community, the banking examiners and the Bank Commissioner.

Wishing you all a very pleasant evening

Respectfully yours,
SAMUEL HAMILTON.

Philadelphia, Pa., Jan. 19, 1914.

ton T. L. Kennedy, President Home Protective Savings and Loan Association, New Brighton, Pa.

My Dear Kennedy:

When you personally extended an invitation to dine with the officers of the Home Protective Savings and Loan Association on the evening of January 10th, I felt that I could accept and I regret as much as any could that the pleasure of acceptance by reasons heretofore transmitted, is denied.

However, if I cannot be with you in person I can in spirit and to convey to you my thoughts. I am now talking to you whilst you are in the height of the festivities and enjoyments of the inner.

A life's work given to the cause of cooperative thrift has been my lot. The taste for this work was a pleasure purchased through its instrumentality and that accomplished; the work was made as plain as it was grand, from that on it was the aim of our speaker to hold out to his fellows the medium for saving and home getting.

It has been to me a Christian work doing and assisting in the upbuilding of men and women. Its fortune has been measured, not by the dollars, but it has been my lot to reap, but to others when the helping hand has been extended and clasped by those who are willing to help themselves.

We of the East who from the start the first Building and Loan Association more than three-quarters of a century ago, have until the past five years entertained the most conservative

ideas of conducting Building and Loan Associations and I may be within bound in asserting that a majority of the managers of the Association have not wavered in their conservativeness. The few progressive spirits of the past have augmented in number and the recent act of the Legislature in enlarging the powers of Building and Loan Associations is in evidence of the fact that they have not stood still. We, in the eastern part of the State could not understand those of the west and it was not until you, President Kennedy, opened the way and cleared the horizon that we found we were not wide apart and when we looked over the situation and found that our views were so near alike we could work in harmony in securing the legislation which was asked and given.

The Building Association League of Pennsylvania which has been in activity for thirty-five years and desired that I should lead in the work of protection of the cause, have continued me in that honor.

We have cause for rejoicing in the affiliation of the League and Federation, largely due, Mr. Kennedy, to your insistent, persistent and persuasive work with the League and Charles Wilcox, Secretary of the Keystone State Building and Loan Association of Pittsburg, must be praised in assisting in the reaping of the victory.

I am delighted, President Kennedy, with the language in which your written invitation of January 10th is couched, viz:

"I hope that you can accept my invitation and come to our party, your presence will be appreciated and add dignity to the occasion and your words will be an inspiration."

After reading these flattering words I more than feel it was my duty to respond in person but find that I cannot and therefore, thank you most cordially for the invitation and trust that the inspiration of continuing the Home Protective Savings and Loan Association on progressive and successful

lines, will be your lot.

Wishing you and your associates the most unqualified success in the mission in which you are engaged, I am

Fraternally yours,

JOSEPH. H. PAIST,
President Building Association
League of Pennsylvania.

Cincinnati, O., Jan. 12, 1914.

Mr. T. L. Kennedy, President Home Protective Savings and Loan Association, New Brighton, Pa.

Dear Mr. Kennedy:

Your kind favor of the 9th received for which accept my most sincere thanks. I cannot tell you how much I appreciate your kind invitation to be with you at your celebration of the 20th.

These affairs that are held by the officers of Building and Loan Associations have done so much good to band the directors together, and I sincerely trust that you will have an enjoyable time.

It is impossible for me to be away at this time of the year owing to the numerous important matters that come up every hour of the day in this work. New legislative matters in the various States and at Washington are constantly arising that require the most careful consideration in the interests of Building and Loan Associations.

Again thanking you for your kind invitation, and trusting that you and your good Board of Directors will have a happy time, I remain

Yours very truly,
AMERICAN BUILDING ASS'N.
NEWS.
H. S. ROSENTHAL, Editor.

Proceeding, Mr. Morrison said:

In reading the article on Building Associations in the "Britannica," I find that organizations similar to the modern Building and Loan Association, and known as "Building Clubs," are mentioned as having been in existence in Birmingham, England, as early as 1795, and one is mentioned in Scotland

in 1825. These and other similar associations or clubs seem to have consisted simply of voluntary organizations having no corporate existence, but were recognized by law about the year 1834 under the Act of Parliament known as the "Friendly Societies Act," which was intended to encourage societies for the saving of money for building purposes, and later, in 1836, such societies were exempt from the usury laws.

In 1846 the permanent plan of Building and Loan Associations was invented in England, under which plan there were two classes of members, one an investing class, and the other a borrowing class, and it is said that this plan greatly increased the efficiency and popularity of such associations, and consequently the number of such associations also greatly increased.

In 1874 an Act of Parliament was passed, conferring upon such societies several valuable privileges and authorizing their incorporation. It should also be noted that this was the same year in which the general law governing such associations, and under which we now operate, was passed, although it seems that in several respects the English law was more liberal than ours in Pennsylvania, and it is surprising and enlightening to note that under the liberal English laws relating to such associations there were as many as sixteen hundred Building and Loan Associations about the year 1874 in one county in England.

Enough has been said, however, for our purposes, as to the history of these companies. They have become a very important factor in modern affairs in this locality, and the amount of money invested in them is so large that they are ranked as important financial institutions in the community. In Beaver County alone we have about eighteen associations, each working in the main in the special community or district in which it is located, but all doing more or less business throughout the entire county, just in the same

anner as the banking business of a particular bank, while largely confined to its immediate borough where located, yet still accommodating others who do not live in its immediate locality.

I desire to speak for a moment of the need of co-operation among the different associations of our county. A few days past there was not much communication existing among the banks of the County, but within the last ten or fifteen years the banking institutions have seen the advantages to be gained by co-operation, and they have much improved their service to the public, as well as increased their efficiency and the protection offered to their depositors by their modern methods. And, taking a lesson from the banking business, I wish to urge upon you the wisdom of Building and Loan Associations adopting co-operative methods for their protection and the mutual advantage of all their stockholders. To illustrate: A man comes to our association and we find that he is not a regular payer; we carry him along awhile, and he does not seem to get ahead; we suggest that he borrow the money somewhere else and pay us off; then goes to your association and asks to borrow money; perhaps your rectors know nothing about him; under a co-operative arrangement your rectors should feel perfectly free to come to our association and inquire as to this borrower's standing, as to whether or not he pays promptly, and as to what our experience has been with him. In any individual case the giving of such information might seem at first sight to be detrimental to our association, as perhaps preventing us from unloading an undesirable borrower upon another unsuspecting victim. But when you consider that such borrowers occasionally get into all associations, and if we should happen to unload one upon your association this week, it is just as likely that next week you might unload another undesirable upon us, so that, in the end, no one would be advantaged. It would be

of great advantage, however, to all associations, if in some such manner all undesirables could be weeded out. It would also have a good effect upon the borrower, for he would know, or soon learn, that if he did not make his payments promptly with one association, he could not reasonably expect to receive accommodations at any other association. A little consideration of such a scheme would show any thinking person that all associations would be greatly benefitted and perhaps saved from loss by adopting it.

Another matter in relation to which it seems to me that the principle of co-operation could be well applied, is in the matter of the Building and Loan Association contracts. These contracts, under our several plans, consist in (a) the application, (b) the bond and mortgage, (c) the mortgage clause upon the insurance policy, (d) the by-laws, (e) the assignment of stock, (f) other papers used in special cases. Would it not be a great saving to the association in the matter of printing alone if all or some of these forms were uniform among all the associations of our valley, to say nothing of the advantage to be gained in case of litigation in having such uniform contracts. In case of any legal dispute arising, a decision of the Court upon the contracts in which any association was a party would determine the law governing any other association using the same forms. The use of such forms would greatly facilitate the business of the association with its borrower, tending to make the borrower more familiar with the methods of doing business by such associations. The banks use the same form of notes, promissory, collateral and judgment. All checks and drafts are substantially the same. So the borrower from the banks is not confused in going from one to another by different methods of doing business. This suggestion should especially appeal to the Building Associations at the present time, in view of the fact that

recent legislation has permitted a change in the terms of the contracts which may be made between the association and its borrowing stockholder, and as these changes in the law have not yet been passed upon by the courts, the importance of the adoption of uniform by-laws and contract in relation to these changed conditions will strike every one with force who considers the situation.

These are but a few of the matters which will suggest themselves to your needs as elements of advantage which will accrue to the several associations should they co-operate and keep, by some method, more closely in touch with each other.

One of the needs of co-operation, fact the method which must precede all actions tending toward such operation, is, of course, the formation of a local or Beaver County League whose membership shall be made of representatives from each of the associations of the county. Such an association or league, however, can be successful unless most of the associations will take an active interest therein. And it is with the hope a purpose of creating interest in such organization that I have spoken tonight, and if what I have said will lead to a closer co-operation between the different associations of our county shall be greatly gratified.

Address of F. S. Reader

Mr. Hice then introduced Mr. F. S. Reader, editor of The Beaver Valley News, stating that Mr. Reader was one of the men still among us who was associated with the building and loan enterprise in Beaver County in its infancy, and who had always been interested in the development of the Building and Loan Associations, and who would now talk upon the history of "Early Beaver County Building and Loan Associations."

Mr. Reader Said:

I presume that I am called upon to say something at this meeting because I am a "way-back" Building and Loan man, and belonged to that crude period of which Brother Morrison spoke. I have no doubt that were we old-timers to step into the office of a modern Association, like that of the Home Protective, and take a look at Brother McCunkin's books, and attempt to analyze them, we would hurry to get out into the wide world and forget all about it.

My first experience was in the New Brighton Building and Loan Association No. 1 in 1872, when I was elected Secretary of this first Association in our town, succeeding William L. Bed-

son, who went west. Everything about it was crude, including the Secretary, but it had its place and was useful in getting homes for worthy people, and enabling all connected with it to save money and receive substantial return for it. It paved the way for later Associations which have been such a blessing to our town and county.

One of the first things that attracted my attention as Secretary, was a deficit of some \$80.00 which could not be accounted for. Having naturally a fondness for solving crooked accounts I made up my mind to have a period of real enjoyment in clearing up the deficit. We had a practice then that any stockholder meeting one of the officers or directors on the street, or at another place where it was proper for people to congregate, could pay his dues to the latter, who would receive the pass book and report the amount to the Secretary at the next meeting provided it was not forgotten, as was claimed was sometimes the case not intentionally of course, as we never had that type of directors, but forgotten in the stress of business. We concluded that perhaps in this way under this lack of system and good bus-

cess management, the deficit had occurred.

I went to work, called in the pass books and traced the payments, and compared them with the book we by courtesy called a ledger, in the hopes of finding the trouble. My investigation showed among other things that J. B. Daugherty, Esq., our able solicitor, had paid a week in advance amounting to \$5.00, while other accounts were apparently in the same condition, or in arrears. I approached brother Daugherty on the subject and he very promptly sat down upon me with the assertion that he never paid in advance, but for each week as it became due, and would not permit his book to be credited ahead, and that knocked my audit in the head. There seemed to be no one who could tell how that deficit occurred, or when it happened, and what stockholder was liable to suffer from it; and as no one seemed to suffer any loss it was accepted as simply an error in book keeping.

One of the valuable features of this old Association, was the straightening out of doubtful titles. The solicitor in one of his examinations found a whole lot of lots with a clouded title, and he never abated his efforts until the cloud was removed, and the title made good. There was a good deal of that kind of work which does not appear as of record in the archives of our Association.

The books of this old society were lost in the fire that destroyed the old Opera House, and consequently all that is known of it is from the recollection of those concerned with it. A copy of the by-laws owned by T. L. Kennedy, shows it to have been printed in both English and German.

The first loan made was to Adam Dert, merchant tailor, who was for years connected with the Association. Among the directors were such genial characters as T. L. Kennedy, our host this evening, born and bred it would seem to the Building and Loan Associa-

tion habit, who has served in some capacity ever since, and for twenty years has been the President of the excellent institution in whose honor partly we meet tonight; Samuel Corbus, one of our most esteemed citizens; Thomas S. Wilson, who used to help the Secretary receipt the passbooks, and whose signature while it was accepted as properly rounding out a receipt, was a puzzle even to a Spencerian expert; J. F. Miner, one of the most astute business men of the valley, and a genial companion; Major G. L. Eberhardt who was President for a period and who was so full of stories, and so happy in telling them at the meetings, that sometimes for weeks the minutes were not read. We did not have the time for small matters like that, and at any rate what was the reading of the minutes between friends; Mark Wisener, one of our business men, and later elected Sheriff; Will Bentley who later engaged in business elsewhere; and Raphael Steinfeld a noble old Hebrew brother, who was the treasurer. He was the soul of honor, genial and congenial, loved by all of us, and as careful and particular in handling the business of the Association, as he was in his own business as a dealer in clothing. We were all young in the business, unscientific and crude, but no loss was ever sustained, every one receiving his just dues, and the honesty of all transactions was never questioned.

It was so satisfactory that steps were taken to organize another Association to take its place when it should expire, which was done in the spring of 1876 under the name of the Beaver Valley Building and Loan Association, now the Beaver County Building and Loan Association

J. F. Miner was elected President, I was chosen as Secretary, and Capt. G. S. Barker, Treasurer, who declined to serve, and Evan Pugh was selected, to serve without salary. The salary of the secretary was fixed at \$4.00 per week including office. The latter was held in

the office of my paper the "Beaver Valley News" in the building now occupied by Mrs. Hoffner's millinery store, and later in the Shuster building where the Beaver County Trust Company building now stands. In the old book of minutes of the new Association, now in the possession of Brother Kennedy, I find later on that a motion was made to reduce the salary of the Secretary to \$175.00 per year, but it failed of passage. The \$4.00 per week, including rent, heat and light, seemed to tend too rapidly toward wealth for the Secretary for some of the brethren, but they failed to save the \$23.00 per year to the Association.

The first money sold was to Isaac N. Beighly, April 3rd, 1875, who bid twenty-four percent premium on \$1,500.00 loan. The premiums were then paid in monthly installments, and not deducted from the principal debt as was the case in the first Association. Premiums rapidly increased, rising to fifty-six percent in May, and as high as seventy-one percent in July and August, the highest point reached. It remained as high as sixty percent until March, 1879, after which there was a decline, falling as low as twenty-two percent before I resigned as Secretary.

Upon my re-election as Secretary April 4th, 1881, the salary was increased to \$312.00 per year. Early in April Col. J. M. Sullivan, collector of Internal Revenue, Allegheny, sent for me to take a place in his office, having been in that business from 1865 to 1877 most of the time, which I accepted, and resigned as Secretary April 7th, 1881.

April 10th, 1884, a special auditing committee was appointed, consisting of C. M. Merrick, Jos. W. Knott, and myself, to make a thorough audit of the books, as they had become sadly mixed. This committee met in the directors room of the National Bank of New Brighton. It met night after night, making an exhaustive examina-

tion of the accounts, and made a report recommending a new set of books etc., for keeping the accounts. The report was read at a special meeting held May 1st, 1884, and the directors adopted the following resolution:

"Resolved, That the auditors be requested to start a new series of books based on their verified report, and on whatever plan suggests itself to them as most simple and accurate for the future greatly increased business of the Association."

The committee made their report accordance with this resolution on new plan and books, and May 19th, the recommendations were adopted. They included the deposit slips and certain new forms of books, part of which believe continue to the present time. This ended my connection official with Building and Loan Association

J. F. Miner (now deceased) advocated very strongly doing just what you are doing today, establish an office and keep it open at regular hours daily where people could come and deposit their money. I think Mr. Kennedy will bear me out in this.

In those early days the best was done that was possible, and their crude efforts have resulted in Associations that are about as near perfect as such organizations can become. The material good done by them in our community cannot be estimated, but hundreds of homes have been built or bought by the savings deposited, and but few communities can show such direct benefits as are manifested to all of us.

As a representative of the first Association in New Brighton, I extend greetings to President Kennedy and the great Association he presides over as well as to the other excellent institutions in the town, with the hope that they will continue to grow and prosper to the great benefit of the people.

Mr. Hice said that it had been anticipated that Mr. F. K. Brierly would be present, he being one of the men of the county who was very early interested in the Building and Loan enterprise, and who had throughout his long business career been active in making these institutions useful and

helpful to the community. Inasmuch as Mr. Brierly was prevented from being present because of ill health, he had sent a substitute in the person of his daughter, Miss Mabel Brierly, who would sing. This she did in her usual pleasing manner.

Address of Harry Calhoon, Esq.

Mr. Hice in introducing Mr. Harry Calhoon, said that Mr. Calhoon has been one of the attorneys for the association since its beginning, and he seemed to be enjoying his cigar so much he hated to disturb him.

Mr. Calhoon Said:

When one thinks or speaks of the community idea and of the obligations which men and institutions owe to the public, one hardly knows where to begin or where to quit. The rights of the community, as such, and the public good, are conceptions which, so far as modern life is concerned, had their origin in the American and the French Revolutions.

Prior to these great social and political upheavals, the community was without recognized rights, little attention was paid to the public good. The common people existed only to minister to the good and pleasure, only to ratify the ambitions and the avarice of the ruling classes. The nobility were divided among themselves. Contending for social advantages and precedence, but were a unit in this one purpose, to crush and to hold in subjection the masses of mankind.

With the Revolutions a complete change came over the thoughts and purposes of humanity, men began to realize that the great breathing, pulsating public had rights which must be recognized; and that the accomplishment of the public good was the highest of all human attainment. It came to be realized that a new standard for measuring the results of life had been established in the world. It came to

be realized that every life, whether high or low, rich or poor, powerful or weak, must submit itself to be measured by this standard. Out of the Revolution of France, came a mighty leader of men. He was a child of the storm, the incarnation of revolutionary force. He lay his hand upon the lion's mane, and under his magic touch it became as gentle as a kitten. He stalked the length and breadth of Europe, the creator of empires, the dispenser of kingdoms, the mighty master of human passion. But powerful as he was, he recognized in public opinion a power greater than that power of marshalled hosts and massed cannon. He knew that the public would pass judgment upon his motives and purposes, and, of all things human, he most dreaded that judgment.

From his island prison he declared to mankind that he had been cut down and crushed too soon. That had he been allowed to mature his plans, had he been allowed to live out his life, the world would have known that his purpose was not selfish acquisition of power, was not self-aggrandisement, but was the working out of the public good. Napoleon, with sure instinct, grasped the new order of things and asked such judgment as should be passed upon a half finished life, upon a task half done.

This power of public opinion, recognized by genius at its birth has spread from pole to pole, and round this world. That man is not sane who would attempt to withstand it. It en-

velopes all humanity, protecting the weak, limiting the aggressive of the strong. It dominates not only the government of the people, but their business affairs as well. Hence it is that our rich men, rich, some of them, beyond the dreams of avarice, as compared with whom Croesus was a pauper, have always recognized their accountability to the public for the right use of their wealth. One has gone so far as to publicly declare, so we are told, that to die rich is to die disgraced. Another is spending the declining years of his life in working out some plan by which the public good may be subserved by means of his wealth. Measured by this new standard, the public good, no kind of business institution can have more real or more lasting claims upon the approbation of the people than our Building and Loan Associations. With us the Building and Loan Associations are large, conservative and sound financial institutions. They command for their service the very best business ability of the community. Infinite care, experience and skill are applied in their management. They are the people's savings banks, on a par with the very best of our banking houses.

The funds which pass through their treasuries, amounting in the aggregate to millions of dollars, are the hard earned savings of our people. This money has almost a sacred character. It is largely the money of the poor. Much of it is depended upon to make life a little easier when sickness or age has robbed the toiler of his strength or of his power to earn. Much of it is moistened with the sweat of labor. If ever funds called for jealous care in management, experience in investment, and skill in securing, these, above all others, are the funds. Is it any wonder that the best brain and ability of the community are called to the task.

Then too these Associations have to do directly with the people's homes. The purpose of their being is to accum-

ulate the savings of the people of small means, and to loan them to other people of small means to be used in building and the acquisition of homes. Measure the distance between civilized man and the savage and every time the measuring string is the home. Whether in a mansion or in a cabin what memories and pictures crowd upon the mind at the mention of home. To every man it is a cluster of pathos and tragedy, of hope and inspiration. It is the center of sacred recollection of heaven born pleasures and God given responsibilities. Blot out the homes of our people, and all that home means to them, and there is nothing left worth saving. Any institution that touches the peoples' homes touches the very heart of the people's life. Any institution, that encourages the building of homes, is an unmixed blessing to the community. It helps to ennoble and dignify men. It helped fill their hearts with a sense of possibility. It helps to awaken in them hope and determination for future accomplishment. Is it not strange that the State has seemed to be blind to their possibilities, and has not protected and developed and perfected them? Their history and the large measure of public good accomplished by and through them, calls loudly for a change of policy on the part of the State. The State should guard the from harm as the apple of its eye. The State should call to its assistance its wisest statesmanship, for their development and perfection. Every means should be used to induce the citizens to use and apply the system and principles worked out by the State. When this is done, it takes no sage to foresee that these Associations will be a very large factor in developing a contented self-reliant and independent people; a people of comparative wealth and without poverty. The community will be happy and prosperous. Then will have been accomplished the highest aim of all human statescraft.

Address of Charles Wilcox

Mr. Hice, in introducing Mr. Wilcox, secretary of the Keystone State Building and Loan Association, Pittsburg, and corresponding secretary of the Building and Loan Federation of Pennsylvania, said: "Probably no man in the State is better acquainted with the problems of the Building and Loan Associations in their broader relation than Mr. Wilcox." Mr. Wilcox then discussed "The Building and Loan Association in Its Relation to the Building and Loan Associations of the State."

Mr. Wilcox Said:

During recent legislative sessions I have been asked to do many impossible things, but I never tried to do anything quite so impossible as to comply with Mr. Kennedy's request to make you an address this evening. A school teacher was endeavoring to impress on the minds of her pupils the value of ambidexterity, stating that nothing was impossible, when a little chap piped up: "Let's see you put your right hand in your left hand trousers pocket." I could do that as easily as could make a speech, being a worker rather than a talker.

Building and Loan Associations are purely mutual in their character as any line of endeavor can be, hence it is but natural that wherever a considerable number of such associations exist the tendency should be to band together mutually to protect themselves against adverse legislation and to promote such legislation as would be for their advantage. In all the states of the Union where such associations have been formed in any number, and that includes nearly all the states, leagues or federations have been formed for protection and improvement. Such organizations have accomplished a vast amount of good and we have yet to hear of one that has

done harm in any way. Wherever the State organization is the strongest that State has the best Building Association laws and the individual associations are the soundest and best conducted. Then as the States have banded together into the Union, so the several State Leagues or Federations have naturally come together into one grand Central League, known as the "United States League of Building and Loan Associations" which organization has to do with National laws which may affect Building Associations. This United States League has done great work in years past. In President Cleveland's administration when an Income Tax law was passed (afterwards declared unconstitutional) the League by hard work succeeded in having Building Associations exempted from the operation of the Act. At the time of the Spanish War a Stamp Tax was placed on all mortgages, the League got busy and as a result of extended efforts the bill was amended so that Building Association mortgages were exempted. Recently when Congress was passing the Income Tax law, the Act as drawn provided for the imposition of the tax on ALL INCOME from whatever source derived and provided for a corporation tax on the earnings of all corporations having a net income of over \$5,000. Again the League was alive to the situation and by all influences possible sought to (and succeeded) have the law amended so that Building Associations were again relieved of the tax. All this work involved close attention and the expenditure of considerable money in expenses of those who did the active work. The value of the results are incalculable.

The spirit of co-operation has been so successful in this line that it is now proposed to organize an Inter-National League of Building Associations, a

meeting or congress for that purpose having been called to meet in the city of London, England next August, to embrace all the countries where the Building and Loan idea is in use, and I expect to and hope to see Mr. Kennedy designated as one of the delegates to that Congress, in which may he be more useful than the Congress he did not go to.

In this State, in accordance with the disposition of Building and Loan Associations to band together and protect each other, there was a League organized many years ago in the eastern end of the State. It was called "The Pennsylvania League of Building and Loan Associations." The title sounded comprehensive enough, but it was composed of Philadelphia Associations with a few others from outlying districts in the eastern and central parts of the State. These associations operated on the old "Philadelphia Plan" and were conservative, strictly speaking. They had no knowledge of the conditions and methods in vogue at this end of the State and were rather under the impression that we were radical and all wrong in our ideas and practices, that our chief delight was in doing what was prohibited. Consequently there was no sympathy wasted between the two elements of the State and each party was continually working at cross purposes with the result that nothing beneficial to either side was accomplished.

Finally we saw that we would have to organize at this end of the State anything was to be accomplished. Mr. Kennedy, myself, and a few others having personally fought adverse legislation for several years, then organized the "Federation of Building and Loan Associations of Pennsylvania" which organization is now an active worker for the best interests of the association of Western and Central Pennsylvania. We then went to Philadelphia and established friendly relations with the Pennsylvania League Building and Loan Associations, finding them to be a fine body of men headed by a thorough Christian gentleman, Mr. Joseph H. Paist, whose letter of regret has been read to you tonight, and from that time onward shoulder to shoulder and succeeded in having passed the first legislation that has conferred additional powers on Building Associations after sixteen years of battling between elements that should always have been in accord.

It is now our ambition to enlarge and strengthen our organization in the near future, and some of these days we will call on Beaver County to come to Pittsburgh and help in a sort of "Billy Sunday" campaign to stir up people up and put some life into the cause for the cause of the People's Bank and the Building and Loan Associations.

We want Beaver County to show up there.

Address of W. B. Cuthbertson, Esq.

Mr. Hice then introduced Mr. Cuthbertson, attorney for Second New Brighton Building and Loan Association, as "a gentleman of the bar who had from his earliest practice been associated with the building and loan business of the county," and that he would discuss "The Relation of the Building and Loan Business and Its Lawyer."

Mr. Cuthbertson Said:

In assigning to me the toast, "The Lawyer and the Building and Loan Association," I thank you for the latitude allowed—to speak about anything that pleases me; and I promise that I shall not stick any closer to my subject than some ministers to their texts.

I hold in my hand a framed statement of the original New Brighton Building and Loan Association. the first annual statement. That association was incorporated in 1872, so that, presumably, this statement is

for the year 1872, though probably including a part of the year 1873.

Although taking up your time with figures, it may interest you not a little to hear this

FIRST ANNUAL STATEMENT OF THE NEW BRIGHTON BUILDING & LOAN ASSOCIATION.

ASSETS.

Loans made during the year	\$14,975.00
Loans paid off during the year	520.00
Present balance of loans (Bonds and Mortgages).....	\$14,456.00
Office furniture	19.00
Due from stockholders	5.00
Balance of cash in treasury	263.06— 287.06
Net assets	<u>\$14,743.06</u>

LOSSES.

Paid for books, printing and advertising	\$ 87.17
Paid for extra labor (Silverman & Bedison)	6.00
Paid for Charter	15.50
Paid for supplement to Charter	10.00
Paid for office furniture	20.00
Paid for rent	58.00
Paid for Secretary's salary, etc	117.25
Paid for errors as per profit and loss account	6.50
Paid for sundries	15.99
Net gain	1,981.01— 2,319.42

Value of each share, first series	15.09
Amount paid on each share	13.00

Gain on each share	2.09
Value of each share, second series	\$ 3.87
Amount paid on each share	3.25

Gain on each share	0.62
Number of shares in first series	795
Number of shares in second series	516
Total number of shares taken	1311
Net percentage of profit	0.16

LIABILITIES.

Dues paid in during the year in first series	\$10,877.25
Dues paid in during the year in second series	1,679.00
	<u>\$12,556.25</u>
Dues withdrawn during the year.....	605.75
	<u></u>
Total present balance of dues	\$11,950.50
Dues paid in advance, first series	381.80
Dues paid in advance, second series.....	429.75— 811.55
Net gain for the year	<u>1,981.01</u>
	<u>\$14,743.06</u>

New Brighton Building and Loan Association (1872), a borrower could borrow one hundred four dollars for a quarter dollar; in the Beaver Valley Building and Loan Association and the New Brighton Building and Loan Association (1883), he could get two hundred dollars for a quarter; but now, if he goes to the right place, he can get five hundred dollars for a quarter.

In other words, the cost has been cheapened to the consumer, in this case, the borrower.

In view of the toast, or subject, assigned to the speaker, perhaps a reference should be made to the Lawyer and the Building and Loan Association; but it must be meager, for the hour is late and I do not want you to conclude that I am one of those who like to hear themselves talk.

Whether the effects of the lawyer upon the association has been greater than the effect of the association upon the lawyer might be deemed a debatable question and too delicate a question for a lawyer to decide; but this much I say, with becoming modesty, that it has led to the development in this county of the title law-

yer. The title lawyer of today is very different from the lawyer who examined titles forty years or more ago. He goes at his work methodically and makes one examination assist him in the next examination. Without the practice which comes from connection with a building and loan association, or some institution making many real estate loans, he could not do this, nor afford to do it. Such a lawyer will often spend weeks in his first examination of a certain plan of lots; but, when he has finished, he has a tabulated list of conveyances or record made by the owner of the plan so that, when he comes to examine the title to other lots in the same plan, he has but to refer to his reference book, or index, to ascertain to whom the lot was sold and whether there is any adverse conveyance. In other ways, perhaps, the association has had its effect upon the lawyer but let that go. The effect of the lawyer upon the association, whatever that may be, comes from his conscientious desire to perform his duty, (not only to this client, but to all clients,) and to keep them out of trouble if he can.

Address of W. D. Craig, Esq.

Mr. Hice, in introducing W. D. Craig, attorney for the Woodlawn Building and Loan Association, said that in every community there were certain problems to be met by the building and loan associations; that these problems were varied and difficult, and that probably Mr. Craig, being located in one of the newest towns, Woodlawn, would be able to tell much of value regarding "The Building and Loan Associations in the New Town."

Mr. Craig Said: . . .

Gentlemen—It is now getting quite late and I usually talk so long that

I can hardly be induced to stop after I once get started. This is probably news to most of you, because the majority of you here tonight do not know me, and I have just got acquainted with you.

I am like a Darky Preacher having a charge down in Tennessee. In his neighborhood a lot of chickens had been taken from different coops and this preacher was suspected. Finally suspicion got so strong that the good parson decided it would be good for his health to go away, so he moved across the mountains into Kentucky and there established himself in a new charge. The first day he preached,

on looking over the audience he noticed a man in the back part of the church whose face seemed familiar to him, and he thought that it was the constable from the community that he had just left, and as he did not want to be denounced and arrested before his congregation he was greatly agitated and hardly knew what to say, but it was too late to back out then, so when he got ready to announce his text he said "Brethren, I had intended to preach on the resurrection, but since looking over my congregation this morning, I have decided to preach from the verse of St. John which says 'If thou seest me, then thou knowest me, saying, and verily I will see thee again.'

Our association, gentlemen, I believe is the youngest in the county. We are hardly yet out of our swaddling clothes, and while we are a pretty lusty infant we have not been able to accomplish much as yet. We are not very big and it is with a great deal of hesitation that I venture to speak to you of our association at all. We do not have the age and strength of your association. In this connection I am reminded of a story I tell about Congressman Lane. When the oleomargarine bill was introduced in Congress, the people interested in the defeat of the measure went to the Congressman, and tried to induce him to vote against the bill, telling him what harm it would do the butter industry and urging him to protect the farmers by voting against the bill. Lane said "Gentlemen, I fully appreciate your position. How what a mighty fine thing butter is, and how necessary it is to do all that can be done to protect the industry in the future. I have often stood in the presence of butter with admiration for its strength, and reverence, for its antiquity." That is how I feel about your association, gentlemen. I admire its strength and reverence its age.

You must understand gentlemen, some of the things we have to contend with in Woodlawn. It is a new town. There is only one industry. When the Jones & Laughlin Steel Company closes down its plant the town is absolutely dead, and all kinds of business has to suffer. In a town of that kind there is not much incentive for men to join a Building & Loan Association.

The Woodlawn Land Company owns about ninety per cent of all the real estate in the town.

The Steel Plant has experienced several shut downs since it was established here, and this of course, makes it very hard for people to pay their dues after they start an account. When we approach a man about taking out an account and building himself a home, he will say "I do not know how long I will have work here and I do not feel that I can afford to make the investment." You can readily see, that owing to the uncertainty of employment, there isn't much incentive for a man to own his home. If he lives in a rented house when he loses his position all he has to do is to pack up his furniture and move away.

We had a very hard time to get started in business, in Woodlawn. When a few of us got together and thought an association would be a good thing for our town, we knew nothing about Building and Loan Associations and we hardly knew how to go about the matter of organizing it.

We feel that we owe a debt of gratitude to you Good Brethren in New Brighton, for we came up to see you, and you gave us some very valuable advice and information.

I knew a little about the law relating to Building and Loan Associations, and was able to inform myself by reading up on the subject, but it was quite a hard struggle to get even the preliminary work of organizing done, but finally we got started and

are now doing quite well and I feel that we have done a good work for our town. We are doing the best we can to educate the people and show them the advantage of owning stock in a Building and Loan Association, and we intend to keep right at it.

I never realized until tonight the vast proportions of the Building and Loan business in this county. I am glad that I have had the opportunity to attend this meeting, and think that if we had a few more of these get-together meetings that we could accomplish a great deal more than has been done in establishing our institutions on a good solid basis. It seems to me that much good can be accomplished by forming a permanent association of the Building and Loan companies in this county. With such an association and with our united efforts we could no doubt ac-

complish much, not only here home but also in procuring m needed legislation favorable to Bu ing and Loan Associations. I am s that our Woodlawn Association wo be glad to join with you in anyth that would tend to promote our tual welfare, and trust that we n have an opportunity to show you t the steel town, up the river, is at times ready and willing to do share in anything that will prom

the welfare of the county.

It is now quite late and I feel t I ought to stop talking. I want again express my pleasure in be here this evening, and to thank Kennedy for the invitation. If hold another such delightful meet as this and fail to invite me I th that I will just come along anyh I thank you.

Address of Charles H. Vaughn

In introducing C. H. Vaughn, a director in the Home Protective Savings and Loan Association, Mr. Hice said that Mr. Vaughn had been especially interested in the question of inducing children to begin early in life the saving habit, and that he would discuss the question of "The Building and Loan Association and Juvenile Savings."

Mr. Vaughn Said:

The idea of a juvenile account in a Building & Loan Association is not a new one. Some associations have introduced a juvenile account handled through the teachers of the Public Schools and found it both directly and indirectly profitable.

The Building & Loan laws of Pennsylvania are not so favorable to accounts with a minor as some other states: notably, New York. In some States, a Building and Loan Association can open an account with a minor, subject to withdrawal by the mi

nor only. In Pennsylvania either rent can withdraw, unless the acco is opened in the name of one par as Trustee. Possibly new legislat might be arranged, as it is now coming more common for minors open accounts with the banks & loan associations.

The system adopted in York St for use in the Public Schools is burdensome to either the teachers the Building & Loan Association. Monday of each week, the pupils in school-room hand the teacher an velope with their name on it, c taining any amount they wish to posit. The teacher turns these velopes over to the principal and him they are delivered to a repres tative of the Building & Loan. T details of the plan are very plain outlined in the proceedings of the 19th annual meeting of the U. League, held in Grand Rapids, Aug 2nd, 1911.

The main idea is, of course, to get the children interested, so th

they grow older, they will have med an appreciation of the advan- ges and opportunities offered by a ilding & Loan Association to small ge earners. It will not only train children to wish to become prop- y owners in the future, but it will a much stronger influence on the rents of those children, than any er form of advertising.

A juvenile account would therefore d to increase the present growth

of the building and loan business and would also insure its continuation with the coming generation.

It would be a good influence on the youngsters of today, as a young man with a savings account, or one who is paying for a home, rarely goes bad.

An influence that urges workmen to own their own homes is an asset to any town or to any factory located in such a community.

Address of Frank W. Walker

Mr. Hice then introduced Frank W. Walker, President of the Beaver County Building and Loan Association, referring to his long time connec- n with the Building and Loan As- sitions of Beaver County, saying that s connection would enable him to us much of interest in the way of tory and incident, as well as of the ctical business experience result- from his long association with lding and Loan Associations.

Walker Said:

It is hardly fair to call upon me hout giving some intimation that would do so. When talking to Kennedy early in the evening, I ed him if they had some good akers; his reply was, Oh yes, we e Mr. Agnew Hice as toastmaster, know what he is, always a good aker. Then we will have Mr. Cal- n, Mr. Morrison, Mr. Wilcox, Dr. Sift and Mr. Reader, who will give istory of the first association, and re will be others. He evidently did consider me a good talker, as my name was not mentioned. I will not r, however, any apology, leaving ht to Mr. Kennedy.

his reference to good speakers has en fully verified, as I am sure each of you have enjoyed very much, as I

have, all that has been said tonight. I do not know anything of interest that I can add to what they have said.

Mr. Reader in his description of the first association that was organized in Beaver county, mentioned a name that I had not thought of for many months—Mr. Wilson—that name recalled to my mind some of our ex- periences in the early days of the old Beaver Valley Association. He was associated with us on that Board with Mr. Kennedy. In those days the di- rectors of Building and Loan Associa- tions were not as well known as they are today. Many differences of opinion as to what was best to do came up for discussion, and at such times both Mr. Kennedy and Mr. Wilson were quite positive as to their ideas being correct, in fact, they seemed to have the idea that none of the other direc- tors had any right to talk at the meet- ings—they could do it for us. We were doing very well in the old days if we got out of a meeting before 12:00 o'clock. The arguments as to why ac- tion should be taken this or that way, were many, and often we had to ad- journ to close the discussion, but that only closed it for the directors. I was living at that time on Third avenue, where the new Kramer building now stands. Mr. Kennedy and I would walk home together, and it was prac-

tically impossible to get rid of him, as he did not seem to know when it was time to stop talking on association matters. We would hang over that old iron fence like two school girls trying to say good-bye, when finally assistance would come to us from an up-stairs window with the inquiry, "Isn't Mrs. Kennedy waiting for Mr. Kennedy to come home?" which would generally adjourn the discussion until the next Monday night.

Mr. Wilson finally dropped out of the Board and after that we could notice "that lonesome feeling" with Mr. Kennedy, he missed his companion's forceful arguments and longed for the good old days to come back, so he could have some discussion of real interest, and finally decided to drop out of association work. We reluctantly accepted his resignation and elected his brother George to fill the vacancy.

The retiring of Mr. Kennedy was a great loss to our association. It was the days of initial ideas and he did not hesitate to advocate what he considered was for the best interest of the stockholders. In those days he was as progressive, as now.

I was also carried back to the days of the old Beaver Valley Association, by the remarks of Mr. Reader, and the many problems we had to work out, and speaking of Paid-up Stock, brings forcibly to mind, the maturing of the first series in the Beaver Valley Association.

A series was issued each year, reaching par value in about nine years. The larger premiums at that time gave us greater earnings, sometimes as high as fifteen percent. This was before the days of issuing paid-up stock, and the only money we had to loan, was what we received from the weekly payments, which was not sufficient to supply the borrowing demands of our stockholders. The money was always sold at public auction to the highest bidder, for the privilege of priority of loan. The fear that the small amount of money on

hand would be exhausted, created competition in bidding among those wanting to borrow, that frequently run the premium up to 75 percent. This premium was divided into monthly payments, covering about nine years. The usual premium, however, being about 60 to 65 percent, which dropped by degrees to 35 per cent, remaining at about that figure for some time. These high premiums made interest costs to the borrower of over twelve percent per annum.

The depressed condition of business during the early nineties, forced the premium down to 10 percent, and finally to no premium. The directors and stockholders felt that the association would be ruined, but in place of being ruined, it was the real beginning of the broad building and liberal ideas, that have been adopted by the association.

The time was approaching when the first series of over \$200,000 worth mature, without any accumulation of funds to pay it, we could not hold back from making loans without a hardship to the stockholders who wanted to buy or build a home.

We had to devise some way to meet the demands for loans, and at the same time provide funds to take care of the stock that would soon mature.

The law at that time did not give the privilege of building and loans to borrow money, nor did it forbid keeping the money of maturing stock and paying interest on it. We acted upon this idea and arranged with many of the stockholders to retain their money and pay interest from date of maturity. In some cases we had to provide for the money by borrowing upon certificate of stock through transfer, it was not as easy to do this as it now seems now. The stockholders could not understand why the money was not ready for them, they had made their weekly payments and thought they ought to have the money, overlooking the fact, that it had to be loaned to earn dividends to mature.

ock. However it was not to be wondered at, that stockholders who were not versed in financial matters could not understand it, when one of our best business and financial men of the town, insisted that his money must be paid, fearing something must be wrong when the money was not in the treasury awaiting his demands to maturity.

This problem was not an easy one, as we had to avoid creating any doubts as to the financial ability of the association to pay its liabilities, but it was ably handled by a committee of which Mr. Joseph F. Mitchell was chairman.

To digress a little, I wish to say, that no person in the history of building and loans in our county has done more to build up these great saving institutions, than our late friend, Mr. Mitchell, as president of the Beaver Valley and later Beaver County Building and Loan Association.

In the early days of Building and Loans in our county, any place seemed answer for an office to receive the weekly payments, but the time came when we felt the necessity of having a well established office, and bought the building at our present location and later remodeled it into the fine banking room that the Beaver County Building and Loan now occupies. Again we find the progressive ideas of Mr. Kennedy who has from the earliest days advocated an up-to-date office for the transaction of building and loan business, as is well illustrated

in the finely equipped office of the Home Protective Savings and Loan Association.

The New Brighton Building and Loan Association is an energetic and well organized association, and is fully abreast with the advanced ideas, which gives this town three of the best associations in the State, and they rank with the best financial institutions of the county.

The management of building and loans of today, use the greatest care in making investments of the small weekly savings of its stockholders, and compares favorably with the best managed banking institutions.

Mr. Morrison, referred in his remarks to a matter that I feel is of vital interest to every director here or in this county—co-operation between building and loans—I trust that you will consider carefully what he had to say; if you do, I am sure that Beaver County will have a League of County Associations, that will prove of great advantage in the safer management of our associations, by adopting the advanced methods of business—Standardization.

I trust these few remarks will convey some idea of the difference in management of the early building and loan association, with those of the present time.

In closing, I wish to compliment Mr. Kennedy upon the stand he has always taken for advanced ideas in the improvement of methods that will help the borrower to secure a home.

Address of the Rev. Charles F. Swift

At the conclusion of Mr. Walker's address, Mr. Hice said, "We will now bring this meeting to a swift conclusion. He introduced the Hon. Charles F. Swift, member of the General Assembly of Pennsylvania.

Mr. Swift Said:

While sitting here, listening to the various discussions and enjoying this fellowship, I have been thinking of the wonderful power which the Almighty has given to His children. He

